

Memorandum



Date: November 15, 2012

To: Honorable Rebeca Sosa
County Commissioner, District

From: Alina T. Hudak 
Deputy Mayor/County Manager

Subject: Status Reports Regarding Ground Leases Awarded Pursuant to Request For
Proposals No. 794 and Request for Qualifications No. 794-A

EDSS

Agenda Item No. 7(A)

Pursuant to Resolution No. 152-12, a special meeting of the Economic Development and Social Services Committee was convened on March 14, 2012 to review Request for Proposal (RFP) No. 794. During this meeting, the Committee directed Public Housing and Community Development to provide alternatives for development of public housing sites and the status report on ground leases awarded pursuant to Resolution No. R-1026-11.

Attached are the status reports for the above referenced directive.

Attachments

A handwritten signature in blue ink, appearing to read "Russell Benford".

Russell Benford, Deputy Mayor

Memorandum



Date:

To: Russell Benford
Deputy Mayor

From: Gregg Fortner *Gregg Fortner*
Director, Public Housing & Community Development

Subject: Status Report on Request for Qualifications (RFQ) 794-A for Public Housing Sites

The following report is being provided in response to Resolution R-152-12, and, to a request from Commissioner Sosa for the Public Housing and Community Development (PHCD) Department to provide alternatives to the Request for Proposal (RFP) No. 794 for development of public housing sites. On March 14, 2012, as directed in the aforementioned Resolution, a Special Meeting of the Economic Development and Social Services Committee was convened by Commissioner Sosa to discuss possible alternatives for development of public housing sites. At that meeting, Gregg Fortner, Director of PHCD, stated that one of the alternatives being considered was the establishment of a pre-qualified pool of developers that would be available as needed for public housing development opportunities.

This pool was advertised (RFQ 794-A) on October 5, 2012 to the approximately 500 vendors in the procurement database for the commodity code related to developer services. The proposals received under RFQ 794-A are currently being evaluated to determine which developers meet the qualification requirements to be included in the developer pool. For any developers that did not have the opportunity to submit a proposal, the County will be re-opening this RFQ on an annual basis to allow additional developers to submit proposals. The term of the RFQ will be five (5) years, with the option to renew for two (2) five-year periods.

Once the evaluation phase is complete and the pool is established, PHCD will initiate the following steps:

1. Request site applications from the developer pool to develop public housing sites. PHCD, in conjunction with an independent consultant, will evaluate and prioritize which sites will have the best potential for development opportunities, including Low Income Housing Tax Credits (LIHTC). Site applications will be limited to the prioritized sites and will include:
 - Development approach and concept,
 - Financial concept,
 - Pro-formas, including all funding sources and uses of funds, and
 - Terms and conditions, including participation in project by the County.
2. Convene an in-house Application Review Committee, with appropriately qualified personnel, to evaluate and rank site applications. PHCD will forward recommendations for award of specific sites through the Mayor, to the Board or approval.
3. For those projects which are awarded and determined to be in the County's best interest, the County will execute a ground lease agreement to provide the awarded developers the site control required, to submit funding applications. This initial agreement will be contingent upon developers obtaining funding. Once funding is obtained, the County will execute additional agreements including a Master Development Agreements with appropriate approvals from the Board and HUD, as required to develop the project sites.

The Board previously awarded 28 development sites, and corresponding ground leases, that allowed developers to apply for nine percent Low Income Housing Tax Credits (LIHTC) pursuant to Resolutions No. R-1026-11 and R-137-12. The Board also awarded four additional development sites for four percent LIHTC pursuant to Resolution No. R-152-12 (for a total of 32 sites) and rejected all other proposals for RFP #794.

Of the 28 sites approved by the Board to apply for nine percent LIHTC from Florida Housing Finance Corporation (FHFC), 6 project sites received nine percent LIHTC awards. Therefore, 22 out of the 28 project sites awarded by the Board did not receive nine percent LIHTC awards. For those 22 development sites which were not awarded nine percent LIHTC by FHFC, PHCD will continue to negotiate with those developers for awarded development sites. If negotiations are successful for those development projects determined to be in the County's best interest, the County will execute a ground lease agreement as to provide developers the site control required, to submit funding applications. This ground lease agreement will be contingent upon developers obtaining funding. Once funding is obtained, the County will execute additional agreements, including a Master Development Agreement, with appropriate approvals from the Board and HUD, to develop the project sites.

If negotiations are not successful and the County determines that certain development sites are not in the County's best interest, applications would then be requested from the "developer pool" for applicable sites, consistent with the procedures for the new RFQ described above.

Memorandum



Date:

To: Russell Benford
Deputy Mayor

From: Gregg Fortner 
Director, Public Housing & Community Development

Subject: Status Report on Ground Leases Awarded Pursuant to Resolution R-1026-11 including those awarded Low Income Housing Tax Credits

The following report is Pursuant to Resolution No. R-152-12, which directed the Chair of the Economic Development and Social Services Committee, Rebeca Sosa to convene a special meeting on March 14, 2012 to review Request for Proposal (RFP) No. 794 and to provide recommendations to the Board of County Commissioners for consideration. During this meeting, Commissioner Sosa requested that Public Housing and Community Development (PHCD) provide the committee with a status report on ground leases awarded pursuant to Resolution No. R-1026-11, including those approved for the Low Income Housing Tax Credits.

Background

Request for Proposals (RFP) No. 794 (Proposal) was issued on July 14, 2011 to solicit proposals for Developer Services to maximize and expedite the development potential of over 100 existing public housing sites and vacant land sites. The County received 215 proposals in response to RFP No. 794. On November 23, 2011, the Board of County Commissioners (Board), pursuant to Resolution R-1026-11, approved six developers for 28 development sites. Additionally, on February 7, 2012 the Board approved Resolution R-137-12 to allow awarded developers to apply for nine percent Low Income Housing Tax Credits from the Florida Housing Finance Corporation.

In addition to the 28 development sites initially awarded by the Board, there was one additional developer and four additional development sites awarded by the Board on February 7, 2012 pursuant to Resolution R-152-12. The awarded developers proposed four percent tax credits for the four additional sites. A summary of the seven developers and 32 sites approved by the Board is attached as Exhibit A.

Applications for the nine percent Low Income Housing Tax Credits were submitted from developers throughout the State of Florida to the Florida Housing Finance Corporation (Finance Corporation). Of the projects that were awarded nine percent tax credits by the Florida Housing Finance Corporation, six of the projects were Public Housing and Community Development (PHCD) public housing sites. The six awarded project sites, the developers and the Finance Corporation's award amounts are summarized below:

| <u>Project/Site – Developer</u> | <u>Finance Corporation Award</u> |
|--------------------------------------|----------------------------------|
| • Dante Fascell – RUDG | \$15,904,007 |
| • Joe Moretti (Brickell Site) – RUDG | \$24,663,913 |
| • Stirrup Plaza – RUDG | \$11,445,721 |
| • South Miami Plaza – RUDG | \$11,346,916 |
| • Green Turnkey – Carlisle | \$ 3,248,740 |
| • Jack Orr Plaza – RUDG | \$20,573,550 |

Status

A summary of the 32 (28 - nine percent and 4 - four percent) project sites awarded by the Board as indicated in Exhibit A are as follows:

Subsequent to the Board's approval of the 28 sites initially awarded, Public Housing and Community Development and the County Attorney's Office worked closely with the awarded developers to provide information and assist with documentation that was required for the Finance Corporation applications:

- Negotiated Ground Leases
- Negotiated Ground Lease amendments and Assignment and Acceptance Agreements
- Coordinated with U.S. Housing and Urban Development (HUD) to obtain confirmation of HUD Program letters.
- Provided Public Housing and Community Development Declaration of Trust letters and provision of other miscellaneous information requested by developers.
- Scheduled and attended initial resident meetings, along with the developer to advise residents of the potential for redevelopment at their sites, obtained their input and responded to questions.
- Coordinated with other County Departments to assist with required forms for the Florida Housing Finance Corporation applications.

Additional steps completed or underway by PHCD for the 28 sites initially awarded by the Board include:

- On June 19, 2012 the Board approved Resolution No. R-512-12 granting approval of the Demolition and/or Disposition applications for the nine public housing sites most likely to be awarded nine percent Low Income Housing Tax Credits from the Florida Housing Finance Corporation.
- Subsequently, out of the 28 sites initially awarded by Board, six development sites received nine percent Low Income Housing Tax Credit awards from the Finance Corporation as indicated above and in Exhibit A. The actions taken for the 6 awarded sites include the following:
 - Completed negotiations with developers including a Master Development Agreement, which will be forwarded to the Board and HUD for approval.
 - Prepared and submitted required Environmental Review documents for HUD's review and approval. Demolition and/or Disposition applications will be submitted to HUD once environmental documents are approved by HUD.
 - Scheduled and attended resident meetings to provide detailed information on all aspects of the planned redevelopment and received resident input.
 - Conducted project coordination meetings and continued working closely with developers as necessary on all aspects of the development process.
 - For the sixth site, Green Turnkey, negotiations with Carlisle Development are on-going and are expected to be concluded within the next several weeks.

- For the 22 development sites which were approved for nine percent Low Income Housing Tax Credits by the Board, but were not awarded nine percent Low Income Housing Tax Credits from the Finance Corporation as indicated in Exhibit A, PHCD will continue to negotiate with those developers for awarded development sites. For those development projects determined to be in the County's best interest, the County will execute new ground lease agreements, with approval from the Board and HUD, to provide developers the site control required to submit funding applications. This initial agreement will be contingent upon developers obtaining funding. Once funding is obtained, the County will execute additional agreements including a Master Development Agreement with appropriate approvals from the Board and HUD, to develop the project sites.

The next steps for the four (4) additional sites (Lincoln Gardens, Victory Homes, Harry Cain and Ward Towers) awarded by the Board include:

- Negotiations on all four project sites are underway. For those projects determined to be in the County's best interest, the County will execute ground lease agreements to provide developers the site control required to submit funding applications. This initial agreement will be contingent upon developers obtaining funding. Once funding is obtained, the County will execute additional agreements including a Master Development Agreement, with appropriate approvals from the Board and HUD, to develop the project sites.
- With respect to the Lincoln Gardens site, a ground lease agreement has been negotiated with the developer and will be forwarded to the Board for approval with an explanation, regarding the projects special circumstance and deadline that the other three projects do not have.
- Request approval from the Board to apply for Demolition and/or Disposition applications to HUD. Subsequent to approval, prepare and submit Environmental Review Documents and once approved by HUD, submit Demolition and/or Disposition applications to HUD for approval.
- Conduct meetings with residents to provide information about proposed redevelopment and obtain their input.
- Conduct project coordination meetings and continue working closely with developers as necessary on all aspects of the development process.

In summary, PHCD will continue to work with the developers to ensure that each step is consistent with the Board's directives and the federal guidelines.

EXHIBIT A**Summary of 7 developers and 32 sites approved by Board****28 – 9% LIHTC Awarded Projects**

| | Project Name/FLA Number or Folio Number | Developer | Commission District | Awarded 9% LIHTC |
|-----|---|------------------|----------------------------|-------------------------|
| 1 | Annie Coleman (FLA 5-15) | Carlisle | 3 | No |
| 2 | Helen Sawyer (FLA 5-57) | Carlisle | 3 | No |
| 3 | South Miami (FLA 5-60) | Carlisle | 7 | No |
| 4 | Medvin (FLA 5-19-B) | Carlisle | 5 | No |
| 5 | Annie Coleman (FLA 5-16) | Carlisle | 2 | No |
| 6 | Gwen Cherry (FLA 5-27) Site 9 | Carlisle | 3 | No |
| 7 | Gwen Cherry (FLA 5-27) Site 11 | Carlisle | 3 | No |
| 8 | Parkside (FLA 5-28) | Carlisle | 5 | No |
| *9 | Green Turnkey (FLA 5-28) | Carlisle | 3 | Yes |
| 10 | Haley Sofge (FLA 5-26) | RUDG | 5 | No |
| *11 | Dante Fascell (FLA 5-34) | RUDG | 3 | Yes |
| 12 | Martin Fine (FLA 5-48) | RUDG | 5 | No |
| 13 | Robert King High (FLA 5-13) | RUDG | 5 | No |
| 14 | Smathers Plaza (FLA 5-18) | RUDG | 7 | No |
| *15 | Joe Moretti (FLA 5-12) | RUDG | 5 | Yes |
| *16 | Stirrup Plaza (FLA 5-58) | RUDG | 7 | Yes |
| *17 | South Miami Plaza (FLA 5-45) | RUDG | 7 | Yes |
| 18 | Three Round Tower (FLA 5-52) | RUDG | 3 | No |
| *19 | Jack Orr Plaza (FLA 5-41) | RUDG | 5 | Yes |
| 20 | Claude Pepper (FLA 5-25) | RUDG | 3 | No |
| 21 | Vacant land site – Folio #01-3135-000-0162 (1165 NW 11 th St) | Michaels | 3 | No |
| 22 | Culmer Gardens (FLA 5-75) | Michaels | 5 | No |
| 23 | Culmer Place (FLA 5-49) | Michaels | 3 | No |
| 24 | Modello Homes (FLA 5-38) | Gorman | 9 | No |
| 25 | Vacant land site – Folio #01-3137-031-0200 (531 NW 11 th St) | Biscayne Housing | 3 | No |
| 26 | New Haven (FLA 5-27) Site 5 | Biscayne Housing | 3 | No |
| 27 | Rainbow Village (FLA 5-32) | Biscayne Housing | 3 | No |
| 28 | Vacant land site – Folio #01-4121-000-0010 (3100 SW 37 th Ave) | Gatehouse | 7 | No |

Note: These 28 sites were approved by the Board on November 23, 2011, as per Resolution R-126-11.

Summary:

- 9% LIHTC sites awarded by Board = 28
- * Six LIHTC sites award by Board which subsequently received 9% LIHTC from Florida Housing Finance Corporation (FHFC)
- 9% LIHTC sites awarded by Board which did not receive 9% LIHTC from FHFC = 22

4 – 4% LIHTC Awarded Projects

| | Project Name/FLA Number or Folio Number | Developer | Commission District |
|---|--|------------------|----------------------------|
| 1 | Lincoln Gardens (FLA 5-19) | Carlisle | 3 |
| 2 | Victory Homes (FLA 5-07) | Carlisle | 3 |
| 3 | Harry Cain (FLA 5-89) | RUDG | 5 |
| 4 | Ward Towers (FLA 5-44) | Renaissance | 3 |

Note: These four sites were approved by the Board on February 7, 2012, as per Resolution R-152-12.